

Instrument prepared by:

VIRGINIA GAS AND OIL BOARD

Order recorded under:

CODE OF VIRGINIA

§ 45.1-361.26

VIRGINIA:

BEFORE THE GAS AND OIL BOARD

APPLICANTS:

CNX Gas Company LLC on behalf of Hurt McGuire Land Trust; and Hassell Davis, Guster Clifton, Consolidated Coal Company, Daisy Burke, O.H. Keen Heirs including Nellie Maynard, Danny Elder, Robert Elder, Joseph P. Horne, and Hershel Keen, et. ux.

DOCKET NO.

98-0324-0627-06

Corrects prior testimony and combines
98-0324-0627-04 and -05

RELIEF SOUGHT:

Issuance: A Supplemental Order for Disbursement of Escrowed Funds

Action: Amending Prior Orders Affecting Drilling Unit W-35, Tracts 1B, 1C, 1D, 1E, 1F, a portion of 1G, and 1H (Referenced herein as "the Subject Drilling Unit")

Location: Buchanan County, Virginia

Action Details:

- (1) To provide a calculation of funds, Unit Operator has deposited into the Escrow Account for Drilling Unit W-35 by Tract Subaccounts;
- (2) To provide each applicant, in simple terms, a complete month over month Royalty Accounting of unit production, costs, taxes and proceeds, depicting variables used in the calculation of royalty payments to the unit escrow account.
- (3) To disburse unit funds to the Applicants, in accordance with their Unit Ownership Interests relative to those funds deposited by the Unit Operator into Subject Drilling Unit's Escrow Subaccount for VGOB Tract(s) identified in Table 1.

REPORT OF THE BOARDFINDINGS AND ORDER

1. **Hearing Date and Place:** This matter came on for final hearing before the Virginia Gas and Oil Board (herein "Board") at 9:00 a.m. on April 21, 2009 at the Russell County Government Center, Lebanon VA. This hearing corrected testimony and revised exhibits for two previous hearings on July 18, 2006, and June 19, 2007, at the Southwest Virginia Higher Education Center on the campus of Virginia Highlands Community College, Abingdon, VA.
2. **Appearances:** Mark A. Swartz of Swartz Law Offices appeared for the Applicant; and Sharon M.B. Pigeon, Assistant Attorney General, was present to advise the Board.
3. **Jurisdiction and Notice:** Pursuant to Va. Code §§ 45.1-361.1 *et seq.*, and in particular Va. Code §§ 45.1-361.21 and 45.1-361.22, the Board finds that it has jurisdiction over the establishment and maintenance of an escrow account, with tract sub accounts, for each of the coalbed methane gas drilling units established by the Board through its field rules that are subject to a Board pooling order. Further, the Unit Operator is required to deposit, as

Exhibit EE
Unit W-35
Docket # VGOB 98-0324-0627-06
List of Conflicting Owners/Claimants with Royalty Split Agreements

	Acres in Unit	Percent of Unit	5-East 0.54807%	6-East 0.28983%	Division of Interest in			Percent of Escrow
					13-East 3.6684%	14-East 8.1032%	15-East 0.4068%	
(f) Audrey Law 102 Lob Lolly Lane Stafford, VA 22554	0.36 acres 1/42 of 15.21 acres	0.45268%	0.00248%	0.00131%	0.01661%	0.03668%	0.00184%	62.5323 Already Disbursed
<u>Tract #1H, 1.09 acres</u>								
<u>COAL FEE OWNERSHIP</u>								
(1) Hurt McGuire Land Trust c/o Charles Green P.O. Box 1067 Bluefield, VA 24605	1.09 acres	1.36250%	0.00747%	0.00395%	0.04998%	0.11041%	0.00554%	0.8715%
<u>OIL & GAS FEE OWNERSHIP</u>								
(1) Hershel Keen, et ux. P.O. Box 26 Shortt Gap, VA 24647	1.09 acres	1.36250%	0.00747%	0.00395%	0.04998%	0.11041%	0.00554%	0.8715%

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RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
AUGUST 4, 2009 AT 02:27PM

BEVERLY S. TILLER, CLERK
RECORDED BY: NKE

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